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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of  
PacifiCorp (U901E) for Approval of its 2017  
Energy Cost Adjustment Clause and  
Greenhouse Gas-Related Forecast and  
Reconciliation of Costs and Revenue.

Application 16-08-001  
(Filed August 1, 2016)

**SCOPING MEMO OF ASSIGNED COMMISSIONER AND JOINT RULING  
WITH ADMINISTRATIVE LAW JUDGE**

**Summary**

This Scoping Memo and Ruling sets forth the category, issues, need for hearing, schedule, and other matters necessary to scope this proceeding pursuant to Public Utilities Code Section 1701.1 and Article 7 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure.<sup>1</sup>

**1. Background**

On August 1, 2017, PacifiCorp (PacifiCorp) filed Application (A.) 16-08-001 seeking authority to update rates pursuant to its Energy Cost Adjustment Clause (ECAC) and authority to adjust its rates based on its 2017 greenhouse gas (GHG) cost and revenue forecast and reconciliation of its recorded 2015 GHG costs. The proposed rates would, if approved, become effective January 1, 2017.

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<sup>1</sup> California Code of Regulations, Title 20, Division 1, Chapter 1; hereinafter, Rule or Rules.

Pursuant to Decision (D.) 06-12-011, PacifiCorp files its annual ECAC application on August 1, 2016. In the instant application, PacifiCorp requests recovery of approximately \$3.5 million through the Balancing Rate. This is a decrease in rates of approximately \$0.1 million compared to rates currently in effect. PacifiCorp's projected net power costs (NPC) are expected to be 0.7 percent higher in 2017. The expected change in NPC is less than 5 percent, and PacifiCorp is not requesting a change to the Offset Rate for 2017.

PacifiCorp also requests approval to adjust its rates based on its 2017 GHG cost and revenue forecast balanced against the reconciliation of its 2015 recorded GHG costs. PacifiCorp calculates the total amount of GHG allowance costs to be recovered in rates in 2017 as approximately \$5.4 million, based on forecast 2017 costs, plus a true-up related to actual costs for prior years. This is a decrease in rates of approximately \$4.8 million compared to rates currently in effect. The estimated combined effect of the proposed ECAC and GHG cost recovery rates represents an overall decrease of approximately \$4.9 million, or 3.8 percent compared to rates currently in effect.

Consistent with the industry assistance factor for 2017 adopted in D.13-12-002, PacifiCorp calculates that small business customers will receive a GHG credit that will offset 80 percent of the surcharge they will pay in 2017 for GHG cost recovery. The proposed semi-annual residential California Climate Credit for 2017 is \$106.94.

On August 18, 2016, the Office of Ratepayer Advocates (ORA) timely filed a response to the application. In the response, ORA concludes that it has no objections to PacifiCorp's proposed ECAC and GHG rate changes, but it reserves its right to audit ECAC balancing account entries in the future.

The assigned Administrative Law Judge (ALJ) set by written ruling a telephonic prehearing conference (PHC) for September 28, 2016. On that date, the assigned ALJ convened the PHC to determine parties, discuss the scope, the schedule, and other procedural matters. ORA was not in attendance.

## **2. Scope**

Based on the application, ORA's Response and discussion at the PHC, the following issues are in scope of this proceeding:

1. Is PacifiCorp's request to update its ECAC rates, effective January 1, 2017, reasonable?
2. Are PacifiCorp's forecast 2017 GHG costs reasonable?
3. Are PacifiCorp's forecast 2017 GHG administrative and customer outreach expenses reasonable?
4. Is PacifiCorp's 2017 GHG adjusted GHG allowance revenue reasonable?
5. Is PacifiCorp's proposed reconciliation of its 2015 GHG costs and administrative and customer outreach expenses reasonable?
6. Does PacifiCorp appropriately calculate the GHG allowance revenue returns to be distributed to eligible customers in 2017?

There are no apparent safety issues that arise from this proceeding.

## **3. Categorization**

The Commission in Resolution ALJ 176-3382, issued on August 18, 2016, preliminarily determined that the category of the proceeding is ratesetting.

This scoping memo confirms the categorization. Anyone who disagrees with this categorization must file an appeal of the categorization no later than 10 days after the date of this scoping ruling. (*See* Rule 7.6.)

#### **4. Need for Hearing**

The Commission in Resolution ALJ 176-3382 also preliminarily determined that hearings are required. The only evidence anticipated in this proceeding is PacifiCorp's offering of prepared testimony and supporting exhibits. Although evidentiary hearings are not scheduled at this time, the preliminary determination that hearings are needed is upheld. A final determination on the need for hearings will be made either in the proposed decision or by written ruling by the assigned ALJ.

#### **5. Request for Status Update from ORA and Waiver or Reduction of Comment Period by ORA and PacifiCorp**

ORA was not in attendance at the PHC held on September 28, 2016. According to its August 18, 2016 response to the application, ORA does not object to PacifiCorp's proposed rate changes in A.16-08-001. Due to the tight timeframe in which the Commission must consider this application in order for adjusted rates to go into effect on January 1, 2017, the assigned ALJ requests that ORA file and serve a status update in lieu of holding a second PHC. The status update must address the following:

1. Are there any updates or changes to ORA's position since the filing of its August 18, 2016 Response?

Pursuant to Rule 14.6(b), which states that the Commission may waive the comment period on a proposed decision if all parties so stipulate, the assigned ALJ requests that both ORA and PacifiCorp file and serve a response to the following question : (ORA may include its response with its status report).

2. If the proposed decision grants the relief requested in the application without modification, will PacifiCorp and ORA stipulate to a waiver of the 20-day statutory comment period on the proposed decision? If a full waiver is not desired, will parties stipulate to a reduced comment period of five days for opening comments and three days for reply comments?<sup>2</sup>

ORA must file its status update and response within one week of issuance of this Scoping Ruling. PacifiCorp must also file and serve its response within one week of issuance of this Scoping Ruling.

#### **6. Receiving Exhibits and Testimony into the Record and Electronic Submission of Testimony and Exhibits**

PacifiCorp must file and serve a motion to move supporting testimony and exhibits into the record along with a motion seeking protection of confidential material no later than one week from the date of issuance of this Scoping Ruling. An exhibit list must accompany the motion to move evidence into the record. No further hard copies of exhibits are required at this time; however, PacifiCorp is directed to submit electronic versions of public exhibits. Instructions for submission of exhibits are contained in Appendix A to this Scoping Ruling.

#### **7. *Ex Parte* Communications**

In a ratesetting proceeding such as this one, *ex parte* communications with the assigned Commissioner, other Commissioners, their advisors and the ALJ are only permitted as described at Public Utilities Code Section 1701.3(c) and Article 8 of the Rules.

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<sup>2</sup> If the proposed decision does not grant the relief requested, parties will have the full statutory period available to comment.

## **8. Intervenor Compensation**

Pursuant to Public Utilities Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by October 28, 2016, 30 days after the PHC. This proceeding is currently uncontested; requests for intervenor compensation are not anticipated at this time.

## **9. Assigned Commissioner and Presiding Officer**

Carla J. Peterman is the assigned Commissioner and Melissa K. Semcer is the assigned ALJ. Pursuant to Public Utilities Code Section 1701.3 and Rule 13.2 of the Commission's Rules of Practice and Procedure (Rule or Rules), Melissa K. Semcer is designated as the Presiding Officer.

## **10. Filing, Service and Service List**

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocols set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Parties are reminded, when serving copies of documents, the document format must be consistent with the requirements set forth in Rules 1.5 and 1.6. Additionally, Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents.

Rules 1.9 and 1.10 govern service of documents only and do not change the Rules regarding the tendering of documents for filing. Parties can find information about electronic filing of documents at the Commission's Docket Office at [www.cpuc.ca.gov/PUC/efiling](http://www.cpuc.ca.gov/PUC/efiling). All documents formally filed with the Commission's Docket Office must include the caption approved by the Docket Office and this caption must be accurate.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at [process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov) to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

## **11. Discovery**

This proceeding is currently uncontested. In the event that a dispute arises, discovery may be conducted by the parties consistent with Article 10 of the Commission's Rules. Any party issuing or responding to a discovery request shall serve a copy of the request or response simultaneously on all parties. Electronic service under Rule 1.10 is sufficient, except Rule 1.10(e) does not apply to the service of discovery and discovery shall not be served on the ALJ. Deadlines for responses may be determined by the parties. Motions to compel or limit discovery shall comply with Rule 11.3.

## **12. Public Advisor**

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TTY), or send an e-mail to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov).

### 13. Schedule

The adopted schedule is:

| EVENT                                                                                           | DATE                                                                |
|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Prehearing Conference                                                                           | September 28, 2016<br>(completed)                                   |
| Motions For Confidential Treatment of Exhibits and to Move Testimony and Exhibits Into Evidence | Within 1 week following issuance of this Scoping Ruling             |
| Status Update and Response from ORA and Response from PacifiCorp                                | Within 1 week following issuance of this Scoping Ruling             |
| Record Submitted                                                                                | Upon receipt of ORA status update                                   |
| Proposed Decision                                                                               | November 2016<br>(anticipated)                                      |
| Comments on Proposed Decision <sup>3</sup>                                                      | Within 20 Days of Service of the Proposed Decision                  |
| Replies to Comments on Proposed Decision                                                        | Within 5 Days of Service of Comments                                |
| Anticipated Commission Meeting/Decision                                                         | 30 Days after but no later than 60 days after the Proposed Decision |

The proceeding will be submitted upon the filing of the ORA status update, unless the assigned Commissioner or the ALJ directs further evidence or argument.

The assigned Commissioner or assigned ALJ may modify this schedule as necessary to promote the efficient management and fair resolution of this proceeding.

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<sup>3</sup> Although ORA filed a response to this application, the proceeding appears to be uncontested. Pursuant to Rule 14.6 (b) if the proposed decision grants the relief requested and ORA and PacifiCorp so stipulate, the comment period will be either waived or reduced.



It is the Commission's intent to complete this proceeding within 18 months of the date this Scoping Memo is filed. This deadline may be extended by order of the Commission. (Public Utilities Code Section 1701.5(a).)

Although not anticipated or scheduled, if there are any workshops in this proceeding, notice of such workshops will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

**IT IS RULED that:**

1. The category of this proceeding is ratesetting. Appeals as to category, if any, must be filed and served within ten days from the date of this scoping memo.
2. Administrative Law Judge Melissa K. Semcer is designated as the Presiding Officer.
3. The scope of the issues for this proceeding is as stated in "Section 2. Scope" of this ruling.
4. Hearings may be necessary but are not scheduled at this time. A final determination on the need for hearings will be made in either the proposed decision or by written ruling of the assigned Administrative Law Judge.
5. The Office of Ratepayer Advocates must file and serve a status update and response, and PacifiCorp must file and serve a response addressing the information set forth in Section 5 within one week of the issuance of this Scoping Ruling.
6. The schedule for the proceeding is set in "Section 13. Schedule" of this ruling. The assigned Commissioner or Presiding Officer may adjust this

schedule as necessary for efficient management and fair resolution of this proceeding.

7. With limited exceptions that are subject to reporting requirements, *ex parte* communications are prohibited. (See Public Utilities Code Section 1701.3(c); Article 8 of the Commission's Rules of Practice and Procedure.)

8. PacifiCorp must file a motion to move exhibits into evidence along with a motion seeking confidential treatment of relevant materials within one week of issuance of this Scoping Ruling. The motion to move exhibits into evidence must contain a complete exhibit list. Additional hard copies of exhibits and testimony are not required; however, PacifiCorp shall adhere to the instructions provided in Appendix A of this ruling for submitting public testimony and exhibits electronically.

Dated October 6, 2016, at San Francisco, California.

/s/ CARLA J. PETERMAN  
Carla J. Peterman  
Assigned Commissioner

/s/ JEANNE M. MCKINNEY for  
Melissa K. Semcer  
Administrative Law Judge

## **APPENDIX A**

### **1. Electronic Submission and Format of Supporting Documents**

The Commission's web site now allows electronic submittal of supporting documents (such as testimony and work papers).

Parties shall submit their testimony or workpapers in this proceeding through the Commission's electronic filing system.<sup>1</sup> Parties must adhere to the following:

- The Instructions for Using the "Supporting Documents" Feature, (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=158653546>) and
- The Naming Convention for Electronic Submission of Supporting Documents (<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&DocID=100902765>).
- The Supporting Document feature does not change or replace the Commission's Rules of Practice and Procedure. Parties must continue to adhere to all rules and guidelines in the Commission's Rules of Practice and Procedures including but not limited to rules for participating in a formal proceeding, filing and serving formal documents and rules for written and oral communications with

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<sup>1</sup> These instructions are for submitting supporting documents such as testimony and work papers in formal proceedings through the Commission's electronic filing system. Parties must follow all other rules regarding serving testimony.

Any document that needs to be formally filed such as motions, briefs, comments, etc., should be submitted using Tabs 1 through 4 in the electronic filing screen.

Commissioners and advisors (i.e. “*ex parte* communications”) or other matters related to a proceeding.

- The Supporting Document feature is intended to be solely for the purpose of parties submitting electronic public copies of testimony, work papers and workshop reports (unless instructed otherwise by the Administrative Law Judge), and does not replace the requirement to serve documents to other parties in a proceeding.
- Unauthorized or improper use of the Supporting Document feature will result in the removal of the submitted document by the CPUC.
- Supporting Documents should not be construed as the formal files of the proceeding. The documents submitted through the Supporting Document feature are for information only and are not part of the formal file (i.e. “record”) unless accepted into the record by the Administrative Law Judge.

All documents submitted through the “Supporting Documents” Feature shall be in PDF/A format. The reasons for requiring PDF/A format are:

- Security – PDF/A prohibits the use of programming or links to external executable files. Therefore, it does not allow malicious codes in the document.
- Retention – The Commission is required by [Resolution](#) L-204, dated September 20, 1978, to retain documents in formal proceedings for 30 years. PDF/A is an independent standard and the Commission staff anticipates that programs will remain available in 30 years to read PDF/A.

- Accessibility – PDF/A requires text behind the PDF graphics so the files can be read by devices designed for those with limited sight. PDF/A is also searchable.

Until further notice, the “Supporting Documents” do not appear on the “Docket Card”. In order to find the supporting documents that are submitted electronically, go to:

- Online documents, choose: “[E-filed Documents](#)”,
- Select “Supporting Document” as the document type, ( do not choose testimony)
- Type in the proceeding number and hit search.

Please refer all technical questions regarding submitting supporting documents to:

- Kale Williams ([kale.williams@cpuc.ca.gov](mailto:kale.williams@cpuc.ca.gov)) 415 703- 3251 and
- Ryan Cayabyab ([ryan.cayabyab@cpuc.ca.gov](mailto:ryan.cayabyab@cpuc.ca.gov)) 415 703-5999